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# **Food Price**

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# **Sources**

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# **for**

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# **School Food**

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# **Procurement**

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Food Price Services for  
School Food Procurement

Prepared By:  
Food Distribution Division  
Food and Nutrition Service  
U.S. Department of Agriculture

The following person had major  
responsibility for this publication:

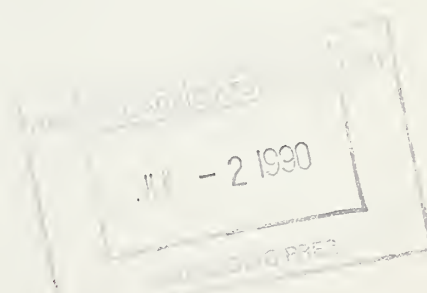
Jerome M. Stein  
FDD, FNS, USDA

The Food Distribution Division acknowledges the assistance of James E. Britton of the Child Care and Summer Program Division, as well as the assistance received from the Nutrition and Technical Services Division, and the Information Division of the Food and Nutrition Service; resources from the Food, Safety and Quality Service, and the Agriculture Marketing Service, U.S. Department of Agriculture, in preparing this publication.

Programs of the U.S. Department of Agriculture are available to all eligible persons regardless of race, color, creed, or national origin.

October 1978

USDA, National Agricultural Library  
NAL Bldg  
10301 Baltimore Blvd  
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## CONTENTS

	Page
Introduction	1
Using Price Source Information and Procurement References	3
Specifications	7
Food Price Information:	11
Government	12
Private	22
References on Food Procurement and School Food Services	37
Key Words and Terms Used in Food Procurement	47

## INTRODUCTION

This publication provides the person who buys food information about sources of food prices. It is a tool to help the school food service director and purchasing agent keep up with the food market in order to buy quality food and keep food costs reasonable.

The listings are accurate as of the publication date, but are subject to change over time. USDA would like comments and suggestions from school food service directors and purchasing agents who use this guide. We would like to know if these price sources are useful in food buying operations for school systems. Please let us know which guides you selected and how you used them. Were you able to reduce costs for any foods? Were you able to buy better quality foods? Are there other price sources that should be added to the list? Should some of these sources be deleted? Please send your remarks to the address listed below for your State.

New England Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
34 Third Avenue  
Burlington, MA 02154

Mid-Atlantic Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
ONE Vahlsing Center  
Robbinsville, NJ 08691

Southeast Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
1100 Spring Street, N.W.  
Atlanta, GA 30309

Midwest Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
536 South Clark Street  
Chicago, IL 60605

Mountain Plains Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
2420 West 26th Avenue, Room 430-D  
Denver, CO 80211

Southwest Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
1100 Commerce Street, Room 5-D-22  
Dallas, TX 75202

Western Regional Office  
Food and Nutrition Service  
U.S. Department of Agriculture  
550 Kearny Street, Room 400  
San Francisco, CA 94108

Connecticut, Maine, Massachusetts,  
New Hampshire, Rhode Island, Vermont

Delaware, District of Columbia,  
Maryland, New Jersey, New York,  
Pennsylvania, Virginia, West Virginia,  
Puerto Rico, Virgin Islands

Alabama, Florida, Georgia, Kentucky,  
Mississippi, North Carolina, South  
Carolina, Tennessee

Illinois, Indiana, Michigan,  
Minnesota, Ohio, Wisconsin

Colorado, Iowa, Kansas, Missouri,  
Montana, Nebraska, North Dakota,  
South Dakota, Utah, Wyoming

Arkansas, Louisiana, New Mexico,  
Oklahoma, Texas

Alaska, American Samoa, Arizona,  
California, Guam, Hawaii, Idaho,  
Nevada, Oregon, Trust Territories,  
Washington



## USING PRICE SOURCE INFORMATION AND PROCUREMENT REFERENCES

Some of the food price sources and references listed in this book may be applicable in your school systems and some will not. If you want to reduce the cost of your school food service, it may be worthwhile to review the materials to determine if they can be useful to you. Sample copies may be available from the publishers.

Information on prices of foods can be used as a way to become knowledgeable about the food market. Knowledge of the food market, including prices, enables the food buyer to negotiate more effectively with the contractors that supply foods for schools.

Knowledge of food requirements and specifications is necessary for making decisions about food buying. By learning to speak the language of "USDA Specifications" with vendors and brokers, you will not be confused by quotations and sales talk about products. For example, if the food broker does not have green beans that meet your specifications for U.S. Grade A, he or she may try to sell you U.S. Grade B or even U.S. Standard beans. Although U.S. Grade B beans are higher in quality (in color and tenderness), they are usually more expensive. However, some U.S. Standard beans may be seedy and fibrous.

Working with menus planned at least 30 days in advance makes it possible for you to estimate food requirements and be in a position to order large quantities of a food and take

advantage of volume discounts.

The following are ways to use the wholesale and retail price information that is available through sources listed in this book:

1. Compile and maintain a record of food prices for use in menu preparation. Be sure to include alternate foods that are similar in nutritional value as well as cost. Use these prices to estimate cost of a meal and assure that menus are within budget restrictions.
2. Develop a price control system. One way to do this is to:
  - a. Determine the 15 or 20 foods that are "most often used" in your food service. Keep a careful watch on their prices. Find ways to keep down cost of "most often used" foods.
  - b. Establish a price control list and flag top prices that you will pay for foods. Do not buy foods that are above the flagged price. Be prepared to change to an alternate food of similar nutritional value at a lower cost.
3. Use wholesale FOB-origin prices as a base and develop a system for determining whether prices offered by a vendor are reasonable. For example, use the FOB-carlot or truckload (40,000 lbs.) price as a base and add on estimated costs for services such as

transportation, storage, cost of financing, and delivery of food to schools. By adding in the various factors, a realistic cost can be determined for a food at the local level.

Here is an example of the way to get a "ball park" cost per case of a

truckload (about 1,400 cases of 6 #10 cans) of green beans purchased from a canner in the Midwest and delivered to the east coast. In the example, the cost of green beans is from the Pacific Fruit Grower. The other estimates were obtained by telephoning a trucking firm, a warehouse, and a delivery service.

	<u>Cost per Case</u>
A. Cost of U.S. Grade B green beans, FOB Midwest canner.....	\$6.60
B. Shipping cost for truckload to a central warehouse in Philadelphia (based on weight and volume per case).....	.85
C. Loading "in and out" of central warehouse and storage for 30 days.....	.17
D. An additional month of storage at warehouse.....	.15
E. Financing cost for broker for money tied up in purchase:	
1% for 1st month.....	.075
1% for 2nd month.....	.075
F. Distribution from warehouse to schools.....	<u>.30</u>
Total estimated cost.....	\$8.22
G. Reasonable profit markup (about 2%).....	<u>.17</u>
Total estimated charge by broker.....	\$8.39

This \$8.39 per case is a reasonable estimate of the charge a vendor might make for each case of 6 #10 cans delivered to a school.

If a school food service director and the purchasing agent decide to make a truckload purchase and deal directly with a canner, several of the charges can be eliminated, depending on available storage.

Eliminate Item	Save per case	Save per truckload (1,400 cases)
C	\$0.17	\$238.00
D	.15	210.00
G	<u>.17</u>	<u>238.00</u>
Estimated savings	\$0.49	\$686.00

If bills are paid promptly, the financing cost (item E) could be eliminated, giving an additional savings.

	<u>0.15</u>	<u>\$210.00</u>
Total Estimated Savings	\$0.64	\$896.00

Once you have worked out a procedure for determining cost of services related to buying a food, it is relatively simple to add on a current base (wholesale, FOB) price. For example, most meat prices are available daily from the "Yellow Sheet." Determine your base price, add on cost of services, and a reasonable markup (about 2%), and you are in a good bargaining position to discuss meat prices with your vendor.

As you proceed to negotiate contracts with canners, truckers, and warehouse operators, build in assurances that the product you buy will arrive in suitable condition. A product graded U.S. Grade A can be damaged in transit and arrive with cans so badly dented that they are unusable. A frozen food shipped at below zero temperature can arrive spoiled in a truck that has lost refrigeration.

sidering a switch from onsite preparation to a catered food service.

5. Develop food cost information to use in discussing a cooperative buying operation with school food service representatives in neighboring school systems. Find ways to take advantage of quantity buying.
6. Develop cost information to use in considering whether there is a cost advantage in direct buying in large amounts at the terminal markets closest to your school system. Factors to be considered would include whether the additional storage and transportation costs eliminated the possible savings of direct buying.
7. Investigate the possibility of contracting directly with a canner or freezer for large quantities of locally produced foods. "The Directory of Canning, Freezing, Preserving Industries" lists

canners and freezers and tells what foods they pack. Some of these producers sell only through food brokers. Through personal inquiries you will learn who will sell to you and at what prices. Don't be afraid to use the telephone!

Canners and freezers are familiar with USDA specifications. Be knowledgeable about the USDA specifications and where to find them and how to use them in buying food.

Balancing the needs of a school food service against its costs is a continuing challenge to the concerned school food service manager.

With food costs high, good management in the procurement of foods is essential to keep operational costs reasonable. The efficient manager who recognizes that there is a cost attached to every service provided by a vendor will plan carefully and anticipate needs so that services such as unnecessary deliveries can be eliminated. An efficient operation combined with knowledgeable food purchasing can provide a significant savings in the cost of operating a school food service.



## SPECIFICATIONS

Specifications are merely a list of particulars precisely identifying the product characteristics desired. These particulars should describe the product in such a clear manner as to be mutually understandable to and measurable by both buyer and seller. Depending on the food product, components of a specification can include:

1. Name of the Item (Nomenclature)  
-- Use an official Standard of Identity when available.
2. Quality or Official Grade -- This should be an official classification of quality (grade) as determined by Federal or Federally licensed State graders. The USDA grades many commonly used foods. Seafood is an exception and is graded by the National Marine Fisheries Service of the U.S. Department of Commerce. Brand name or a "same as sample" designation may alternatively be used to describe quality.
3. Class, Kind, Style, or Variety  
-- Any one or combination of these could be used depending on the product. Class may refer to sex of an animal (i.e., in cattle class refers to heifer, steer, bull, or cow.) Kind may refer to such foods as flour (i.e., all-purpose, whole grain, soft-white, etc.) Variety as seen in fruits and vegetables such as in apples (Delicious, Jonathan, Winesap, etc.) and green peppers (California Wonder, etc.). Style generally refers to how a product is processed (i.e., canned

green beans may be cut, whole, or french style.)

4. The Size of the Product -- This may be expressed in terms of weight (18-to 20-lb. turkeys), number per container (oranges, 100's means 100 per box), can sizes (#303, #2-1/2, #10), or count (frankfurters, 8 per pound).

Note: Weight indication should be appropriately expressed as net, gross, drained, dry weight, or tare weight.

5. Origin -- Where the product was produced.
6. Packaging Unit -- Crate, carton, box, bag, barrel, or case. Sometimes a description of the packaging unit should include the material it is made from (wood, cardboard, paper). The minimum or maximum weight and the dimensions of the package may be used as appropriate. In some cases, the specification will indicate if it is new or used.
7. Special Instructions -- For example, on processed canned foods, this year's pack may be required. For frozen foods, the products must be delivered at 0° F or below. The product may require special labelling, palletizing, strapping, or packaging protection. Also special instructions may refer to some condition stipulations, as explained below.

### Condition Standards

Condition standards are important, especially for perishable products. There is a difference between quality, as determined by grade, and condition. Condition generally relates to external factors (time, temperature, moisture, handling, etc.) that affect acceptability after the product has been inspected. Purchasers should understand the difference and place appropriate constraints on acceptable conditions.

### Standards of Identity

Standards of Identity are official descriptions of processed food products. The standards specify and limit the ingredients used in the product as well as describe how the product is fabricated and provides a physical description of the product. The U.S. Department of Agriculture (USDA) is responsible for minimum meat and poultry content standards while the Food and Drug Administration (FDA) is responsible for all other Standards of Identity. Note that USDA refers to standards while FDA calls them Standards of Identity.

While identifying a product in written specifications use the applicable nomenclature of the appropriate Standard of Identity. Check the Standard of Identity to determine if the standards described are sufficient to meet your needs. For example, the standard for beef frankfurters insures the product is made from beef and does not include variety meats, extenders, or other non-meat additives other than spices,

seasonings, and authorized preservatives. This frankfurter must contain no more than 30% fat and have no more than 10% water added. In addition, it must be prepared under sanitary conditions and be under Federal inspection. As such, the product described is of relatively high quality and as long as it is labeled from a federally inspected plant, there is assurance that the product is adequate to most needs.

You can order Standards of Identity from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The following tells you what to order for standards on different foods.

#### 1. USDA - Meat and Poultry Products

Code of Federal Regulations -  
Volume 9

Animals and Animal Products, Revised 12/21/76

Part 319 - Meat

Part 381-155 Poultry

Request entire Volume 9 and look up the above parts for applicable information. This document is revised annually with the newest volume being available just after the first of the new year.

Cost: \$4.50

#### 2. Food and Drug Administration - Standards of Identity for all foods other than Meats and Poultry.

Code of Federal Regulations (CFR)  
21 Food and Drug

Parts 100-199, Revised 4/1/77

Cost: \$4.75

### PREPARING SPECIFICATIONS

In preparing a specification, consider whether it is:

1. Enforceable. The specification should enable the buyer to employ a practical acceptance procedure to ensure all terms of the specifications are met. Specifics in the specification should be designed to be easily monitored.
2. Tailored to meet menu requirements. Don't use a costlier product when a less costly product will serve as well or better.
3. Complete. Always include a condition statement as part of the specification. Condition refers to environmental considerations affecting the product, including temperature, humidity, maturity of fresh produce, damaged packaging, mechanically damaged product, decay/spoilage/insect infestation when not included in official Federal or State grades or specifications.
4. Written in understandable language. The information should be clear and simple but sufficiently precise so that you and the vendor have an absolute meeting of the minds.

5. Commercially available. This allows you to obtain the largest number of competitive offerings.
6. Superfluous to your need, thus raising your costs. Restrictions on packaging, grades, sizing, and the adoption of special considerations that increase the costs without providing corresponding benefits in terms of value or acceptability should be avoided.

Implementing the above criteria requires a combination of knowledge gained from resource publications, use of vendor experience, and the overall experience of those who make the procurement decisions.

Application of the above criteria will vary according to the size of procurement and the ability to implement effective acceptance and rejection procedures.

Pre-prepared or published specifications and buying tips should be viewed as examples that may or may not be applicable to your situation. If they fit each of the criteria you require, use them. If not, tailor them to better fit your need.

A determination should be made of identifying the 10-20 most used food items. Those foods will generally account for two-thirds or more (generally 65-75%) of your total food dollar. By focusing in on the development of specifications on these foods and tailoring them to meet all the criteria set forth above, you will have gone a long way toward improving your procurement activity.



An excellent setting for tailoring specifications and getting uniformity is at workshops.

Well-written specifications lower food cost while poorly written or nonexistent ones raise it. Using specifications also keeps everything on a comparable basis, assures that you are getting what you want, and represents a meeting of the minds between the buyer and the seller.

#### FEDERAL SPECIFICATIONS

In developing your specifications, you may want to consider specifications developed by the Federal Government. Although they may require tailoring to fit your particular needs, Federal specifications do have the following attributes: (1) they are widely used and known; (2) they adequately describe the product so that the buyer and seller will know what is to be delivered; and (3) they allow for an acceptance procedure through the USDA Commodity Division to assure compliance with the specifications in the purchase order. The biggest drawback is that they may not fit your need precisely.

Purchasers of food should get acquainted with Federal specifications for the foods Federal agencies procure. Foods having a Federal specification are listed in the "Federal Supply Catalog" (FSC) Group 89, Subsistence. The specifications themselves can be obtained from the Deputy Administrator for Commodity Services, Food Safety and Quality Service (FSQS), USDA, Washington, D.C. 20250.

The Office of the Deputy Administrator for Commodity Services or the Director of Information, FSQS, USDA, can also provide information about the various commodity acceptance and grading services available, including a fact sheet (FSQS-8, June 1978) on food acceptance services. In addition, these offices can supply local food service operators with the name, address, and telephone number of the appropriate local FSQS office. There are separate inspection and grading offices for dairy products, fresh fruits and vegetables, processed fruits and vegetables, meat and meat products, poultry and eggs, and grain products. Supervisors in the local offices can be helpful in procurement workshops by explaining how their acceptance service operates and how these services can be utilized.



## FOOD PRICE INFORMATION

The following list shows sources of information on food prices that may be useful in your school food service. This list is divided into "Government" and "Private" sources. The name of the price source and address of the organization is given. The cost of the service is shown as are geographical areas covered and types of foods priced. The list also gives bases for the prices, such as quotations from processor, distributor, wholesaler, jobber, or retailer; quantities of carlot/trucklot, joblot (under 25 cases); or transportation free on board (FOB) at the source or delivered.

\*Any omission of a price source is unintentional. Please notify the appropriate regional office listed in the introduction of additional sources not included.

This list does not include two primary sources of information about the food market that should be familiar tools to every food buyer. These are local newspapers with weekly ads for food and retail prices in local grocery stores and published supplier price lists. Newspapers also provide timely information about plentiful foods and general trends of food prices.

These price sources are tools for quantity food purchasing. The food price source information is not a substitute for obtaining price and supply information from local vendors and other locally based institutional buyers. Purchasing agents should keep lines of communications open with other food purchasing agents in the community.

At the end of this section, the price sources are indexed for specific foods.

GOVERNMENT PRICE SOURCE

<u>Name of Publication:</u>	<u>BEAN MARKET NEWS</u>
<u>Available From:</u>	California Dept. of Food and Agriculture Bureau of Market News 2321 West Washington Street Stockton, CA 95203 Phone: (208) 466-0881 and  Market News Branch Agricultural Marketing Service, USDA Livestock, Poultry, Grain, and Seed Division 721 - 19th Street, Room 373 Denver, CO 80202 Phone: (303) 837-4161
<u>Published:</u>	Weekly
<u>Cost:</u>	Free
<u>Geographical Area:</u>	Midwest and Western U.S.
<u>Types of Food Priced:</u>	Beans, lentils and peas - dried
<u>Prices Based On:</u>	FOB Warehouse Carlot/Trucklot
<u>Useful for School System:</u> (Size)	Medium Large
<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	Two different newsletters are published. The Rocky Mountain edition is published in Colorado, the Stockton edition in California. Both give market reports and prices for a wide variety of dry beans and peas. The Stockton news gives detailed information about the California market.

Name of Publication:

DAIRY MARKET NEWS

Available from:

Agricultural Marketing Service  
Federal State Market News Service  
801 West Badger Road  
Madison, WI 53713

Phone: AC 608-252-5254

Published:

Weekly, mailed on Friday

Cost:

Free

Geographical Area:

Nationwide-Eastern  
Central  
Western

Types of Food Priced:

Butter  
Cheese-Cheddar, American  
Nonfat milk, fluid milk (base  
price change announced monthly)

Prices Based on:

FOB Carlot/Trucklot

Useful for School System:  
(Size)

Large

Applicable for Formula Purchasing:

Yes

Information Provided:

Publication provides an advanced notice each month for the fresh fluid milk base price for Class I milk. It provides a method for showing monthly price changes over-time. Cheese prices are for large wholesale units, i.e. blocks, loaves (America) wheels, etc. Prices for butter and cheese are primarily for processors and traders. This publication is most useful for pricing fresh whole fluid milk.

Name of Publication:

ESTIMATED RETAIL FOOD PRICES BY CITY

Available From:

Bureau of Labor Statistics  
U.S. Department of Labor  
Washington, DC 20212  
Phone (202) 523-1532

Published:

Monthly

Cost:

Free

Geographical Area:

Nationwide

Types of Food Priced:

Cereals and Bakery Products  
Meats, Poultry, Fish  
Prepared and Partially Prepared  
Foods  
Dairy Products  
Fresh Fruits and Vegetables  
Processed Fruits and Vegetables  
Eggs  
Fats and Oils  
Sugars and Sweets  
Nonalcoholic Beverage

Prices Based On:

Retail grocery stores

Useful for School System:  
(Size)

Small  
Medium  
Large

Applicable for Formula Purchasing:

No

Information Provided:

This leaflet shows estimated retail prices for 94 foods in each of 24 cities in the United States.

<u>Name of Publication:</u>	<u>FISHERY MARKET NEWS SERVICE</u>								
<u>Available From:</u>	National Marine Fisheries Service U.S. Department of Commerce Washington, DC 20235								
<u>Published:</u>	Weekly 3 weekly reports								
<u>Cost:</u>	1 report weekly - \$15/per year 3 reports weekly - \$35/per year								
<u>Geographical Area:</u>	For fish markets in:  <table border="0"> <tr> <td>Massachusetts</td> <td>Washington</td> </tr> <tr> <td>New York</td> <td>Maryland</td> </tr> <tr> <td>Louisiana</td> <td>Virginia</td> </tr> <tr> <td>California</td> <td>Illinois</td> </tr> </table>	Massachusetts	Washington	New York	Maryland	Louisiana	Virginia	California	Illinois
Massachusetts	Washington								
New York	Maryland								
Louisiana	Virginia								
California	Illinois								
<u>Types of Food Priced:</u>	Fish Other Seafoods								
<u>Prices Based On:</u>	FOB Wholesaler Jobbers per 1,000 lbs.								
<u>Useful for School System:</u> (Size)	Small Medium Large								
<u>Applicable for Formula Purchasing:</u>	Yes								
<u>Information Provided:</u>	Current information on prices, market conditions, production, im- ports, exports, cold storage holdings, and market receipts of fishery products in major fish trading centers of the United States.								

<u>Name of Publication:</u>	<u>FOOD MARKETING ALERT</u>
<u>Available From:</u>	Information Division Agricultural Marketing Service U.S. Department of Agriculture Washington, DC 20250
<u>Published:</u>	Monthly, with periodic Food Marketing Alert "Specials"
<u>Cost:</u>	Free
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Priced:</u>	Meat Poultry and Eggs Milk and Dairy Products Fruits and Vegetables Grains and Legumes
<u>Prices Based On:</u>	Estimated livestock and crop pre- dictions from USDA's Economics, Statistics, and Cooperatives Service. Market news reports and other data collected by the Agricultural Marketing Service.
<u>Useful for School System:</u>	Small Medium Large
<u>Applicable for Formula Purchasing:</u>	No
<u>Information Provided:</u>	The monthly issuance gives expected supplies of foods within above cate- gories for the coming month; tells whether expected to be plentiful, adequate, or light. Compares current supplies (in percentages) to supplies for same month a year ago, and to average supplies for the same month of the last 3 years.



The special issues give additional price and supply background on food commodities that are so abundant that producers may have difficulty marketing them. The price and supply information is better adapted to menu and procurement planning than as an indicator of current price.

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<u>Name of Publication:</u>	<u>FOOD SAFETY AND QUALITY SERVICE FOOD PURCHASES</u>
<u>Available From:</u>	Food Safety and Quality Service U.S. Department of Agriculture Washington, DC 20250
<u>Published:</u>	Weekly
<u>Cost:</u>	Free
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Priced:</u>	Poultry - Ready to Cook and Frozen Vegetables - Canned and Frozen Fruits - Canned and Frozen Dairy Products Meats (including ground beef)
<u>Prices Based On:</u>	FOB Processors Shipping Points or Destinations Carlot/Truckload
<u>Useful for School System:</u> (Size)	Medium Large
<u>Applicable for Formula Purchasing:</u>	No
<u>Information Provided:</u>	Summary information on USDA current and cumulative purchases. Shows prices paid and names and locations of firms from which purchases were made.

<u>Name of Publication:</u>	MARKET NEWS (LIVESTOCK, MEAT, AND WOOL)
<u>Available From:</u>	Agricultural Marketing Service U.S. Department of Agriculture Washington, DC 20250
<u>Published:</u>	Weekly
<u>Cost:</u>	Free
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Priced:</u>	Beef            Lamb Pork            Veal
<u>Prices Based On:</u>	FOB Processor Carlot/Trucklot
<u>Useful for School System:</u> (Size)	Small Medium Large
<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	Price trends and slaughter demands of meat and livestock. Gives current wholesale prices of primal cuts of red meats. Subscriber should watch for specialized information in each issue, i.e., comparison of yields for retail cuts, sales value, and difference of retail value between yield grades. For small schools the price lists and price trends may be useful for menu planning.



Name of Publication: MARKET NEWS SERVICE ON FRUITS,  
VEGETABLES, ORNAMENTALS, AND SPECIALTY  
CROPS (Market Bulletin No. 61)

Available From: Agricultural Marketing Service  
U.S. Department of Agriculture  
Washington, DC 20250

Published: Daily - Monday through Friday, except  
holidays

Cost: Free

Geographical Area: Nationwide in the following 22  
terminals. Write to U.S. Department  
of Agriculture for address of terminal  
closest to you. Reports are published  
for the following cities:

Atlanta, GA	Los Angeles, CA
Baltimore, MD	Louisville, KY
Boston, MA	Miami, FL
Buffalo, NY	Minneapolis, MN
Cincinnati, OH	New Orleans, LA
Columbia, SC	New York, NY
Dallas, TX	Philadelphia, PA
Denver, CO	Pittsburg, PA
Detroit, MI	St. Louis, MO
Houston, TX	San Antonio, TX
Kansas City, MO	San Francisco, CA

Types of Food Priced: Fresh Fruits, Vegetables, and Nuts

Prices Based On: FOB Terminal  
Wholesale/less than Carload/Truckload

Useful for School System:  
(Size) Small  
Medium  
Large

<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	Shows source of shipments of fresh fruits and vegetables reaching the markets. Also gives prices, quality, and varieties of fresh fruits and vegetables.

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<u>Name of Publication:</u>	<u>POULTRY MARKET NEWS - "EGG REPORT" AND "POULTRY REPORT"</u>
<u>Available From:</u>	Agricultural Marketing Service U.S. Department of Agriculture Washington, DC 20250
<u>Published:</u>	Daily - Monday through Friday, except holidays
<u>Cost:</u>	Free
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Priced:</u>	Poultry Eggs
<u>Priced Based On:</u>	FOB Various Levels of Trade Carlot/Trucklot Less than carlot
<u>Useful for School System:</u> (Size)	Small Medium Large
<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	Daily prices on eggs and poultry. Also price and demand trends for poultry and eggs. For small schools the price lists and price trends may be useful for menu planning.

<u>Name of Publication:</u>	<u>WHOLESALE PRICES AND PRICE INDEXES</u>
<u>Available From:</u>	U.S. Department of Labor Bureau of Labor Statistics Superintendent of Documents US Government Printing Office Washington, DC 20402
<u>Published:</u>	Monthly
<u>Cost:</u>	Subscription Price \$16 a year domestic (includes one supplement) \$4 additional foreign Single copy \$1.80 Supplement \$2.70
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Priced:</u>	Fruits and Vegetables - Fresh, Frozen, Canned, Dried Grains and Grain Products Eggs - Fresh and Processed Fluid Milk and Dairy Products Meats, Poultry, and Fish - Fresh and Processed Sugar Fats and Oils Jams, Jellies, and Preserves Condiments
<u>Prices Based On:</u>	Charged by wholesalers at their place of business
<u>Useful for School System:</u> (Size)	Small Medium Large
<u>Applicable for Formula Purchasing:</u>	No

Information Provided:

Prices are not necessarily related to grades or quality, but to supply and demand.

Information is 2 months behind. You will get November prices in January, January prices in March, etc.

Table 6 - First 6 1/2 pages provide wholesale prices, along with a price index for the current month and each of the 2 preceding months. This provides a short-term price trend. Prices at wholesale are generally reflected and retail from 2 weeks to 2 months after they are established.

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PRIVATE PRICE SOURCE

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Name of Publication:

DAILY MARKET AND NEWS SERVICE  
("The Yellow Sheet")

Available From:

The National Provisioner  
15 West Huron Street  
Chicago, IL 60610

Published:

5 days weekly

Cost:

\$160.00 (by mail) yearly

Geographical Area:

Nationwide

Types of Food Priced:

Fresh and Frozen

Beef Lamb  
Pork Veal

Prices Based On:

FOB Distributor  
Carlot

Useful for School System:  
(Size)

Large

Applicable for Formula Purchasing:

Yes

<u>Information Provided:</u>	Current meat price information. Available for larger schools in a position to purchase in carlot quantities. (See "Green Sheet" for food prices of quantities less than carlots.)
<hr/>	
<u>Name of Publication:</u>	<u>FOOD PRODUCTION MANAGEMENT</u>
<u>Available From:</u>	Food Production Management 2619 Maryland Avenue Baltimore, MD 21218 Phone (301) 467-3338
<u>Published:</u>	Monthly
<u>Cost:</u>	\$8.00 per year
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Priced:</u>	Fruits, canned Vegetables, canned
<u>Prices Based On:</u>	FOB Processor Carlot/Trucklot
<u>Useful for School System:</u> (Size)	Small Medium Large
<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	A publication of the canning, glass packing and frozen food industry. Indicates supply of packed foods and prices per case of canned foods.

Name of Publication:

HOTEL - RESTAURANT - INSTITUTIONAL  
MEAT SERVICE REPORT ("The Green Sheet")

Available From:

National Provisioner, Inc.  
15 West Huron Street  
Chicago, IL 60610  
Phone (312) 944-3380

Published:

Weekly

Cost:

\$58.50 yearly  
17.50 quarterly  
1.25 each for back issues

Geographical Area:

Nationwide

Types of Food Priced:

Fresh  
All Red Meats (Beef, Pork, Lamb, Veal)  
Miscellaneous and Speciality Products  
(Ground Beef, Liver, Corned Beef,  
Dried Beef)  
Processed products  
(Frankfurter, Canned Ham, Bacon)

Prices Based On:

FOB Terminal

Useful for School System:  
(Size)

Small  
Medium  
Large

Applicable for Formula Purchasing:

Yes

Information Provided:

Provides a practical price series related to USDA Institutional Meat Purchase Specifications (IMPS) for products normally used by schools on a delivered basis. A widely used pricing instrument in the institutional meat trade, especially for the less than carlot or trucklot purchasing. Provides a weekly view of market conditions and short-term market trends as well as current events affecting the institutional meat trade.



<u>Name of Publication:</u>	<u>JOURNAL OF COMMERCE AND COMMERCIAL</u>
<u>Available From:</u>	Twin Coast Newspaper, Inc. 110 Wall Street New York, NY 10005
<u>Published:</u>	Daily, except on Saturdays, Sundays, and Holidays
<u>Cost:</u>	Subscription for 1 year \$80 6 mos. \$46
<u>Geographical Area:</u>	Nationwide
<u>Types of Food Prices:</u>	Dairy Products Poultry - Fresh and Frozen Dried Beans and Peas Shelled Nuts Oils and Fats Spices Meats - Fresh and Frozen Potatoes - Fresh and Processed
<u>Price Based On:</u>	FOB Origin
<u>Useful for School System:</u> (Size)	Medium Large
<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	Contain articles related to commodity and food prices. Good sources of information related to food supply and price trends. Applicable "spot commodities" feature, quotes prices on a daily schedule for specific foods on different days of the week.

Name of Publication:

THE MEAT SHEET

Available From:

Meat Sheet, Inc.  
643 South Route 83  
Elmhurst, IL 60126  
Phone (312) 274-4545

Published:

5 days weekly

Cost:

\$250 (by mail) yearly

Geographical Area:

Nationwide

Types of Food Priced:

Fresh and Frozen

Beef, Pork  
Lamb, Veal

Prices Based on:

FOB - Trucklot/Carlot

Useful for School System:  
(Size)

Large

Applicable for Formula Purchasing:

Yes

Information Provided:

This publication provides trade prices on a packer-to-packer level as well as prices to large carlot buyers including meat brokers, chain stores, and large distributors. Useful for price trends and purchases of carlot quantities of meat.



Name of Publication: NATIONAL PRICE DIGEST ("The Biddle Report")

Available From: Biddle Purchasing Co.  
225 Broadway  
New York, NY 10008  
Phone: (202) 964-0500

Biddle Purchasing Co.  
10 So. Riverside Plaza  
Chicago, IL 60606  
Phone (312) 782-3030

Biddle Purchasing Co.  
260 California Street  
San Francisco, CA 94111  
Phone: (415) 362-7373

Published: Monthly

Cost: Ask your State School Food Service Director to write Biddle Company about cost of service. Cost may vary. Negotiate cost on consolidated bases.

Geographical Area: Nationwide

Types of Food Priced: Fruits and Vegetables - Canned, Frozen, Dried  
Seafood - Canned, Frozen, Dried  
Dairy products - Canned, Dried  
Cheese Fats and Oils  
Cereals Seasonings  
Pastas Flavorings  
Juices Condiments  
Jams and Jellies Nuts

Prices Based On: FOB Distributor  
Joblot (under 25 cases)

Useful for School System: Small  
(Size) Medium  
Large

Applicable for Formula Purchasing: Yes

Information Provided:

Biddle is a vendor but they also make price list available. Prices are representative of those that can be expected from a vendor. Bulletin provides prices for a wide assortment of products by grade, style or pack, and size. Gives shipping weights and canning season for a number of seasonally packed products. Large grocery wholesalers and large users of grocery products utilize this report.

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Name of Publication:

THE NATIONAL PROVISIONER

Available From:

The National Provisioner  
15 W. Huron Street  
Chicago, IL 60610  
Phone: (312) 944-3380

Published:

Weekly

Cost:

\$9 per year

Geographical Area:

Nationwide

Types of Food Priced:

Fresh and frozen -  
Beef Lamb  
Pork Veal Fats and Margarine

Prices Based On:

FOB Midwest Processor  
Carlot - price per pound

Useful for School System:  
(Size)

Medium  
Large

Applicable for Formula Purchasing:

Yes

Information Provided:

Meat and meat industry related articles of interest plus the daily price information on meat for the previous week. Provides wholesale prices for primal cuts of meat. Not as applicable for formula purchasing as the "Green Sheet."

<u>Name of Publication:</u>	<u>PACIFIC FRUIT NEWS</u>
<u>Available From:</u>	Pacific Fruit News P.O. Box 6266 330 South Third Street San Jose, CA 95150 Phone: (408) 293-3329
<u>Published:</u>	Weekly
<u>Cost:</u>	\$10 per year
<u>Geographical Area:</u>	Pacific Coast
<u>Types of Food Priced:</u>	Fruits and Vegetables - Canned and dried Nuts
<u>Prices Based On:</u>	FOB Processor Carlot/Trucklot/Joblot (under 25 cases)
<u>Useful for School System:</u> (Size)	Small Medium Large
<u>Applicable for Formula Purchasing:</u>	Yes
<u>Information Provided:</u>	Pacific coast prices of fruits and vegetables. Also includes a production forecast for processed fruits and vegetables. More geographically limited, but a more widely used price source by most elements of the food trade. A large number of canned fruits and vegetables are processed on the west coast.

Name of Publication:

PRODUCERS' PRICE -- CURRENT  
(The "Urner Barry Report")

Available From:

Urner Barry Publications, Inc.  
P.O. Box 389  
Toms River, NJ 08753  
Phone: 201 240-5330

Published:

Daily, except Saturdays, Sundays,  
and holidays

Cost:

First Class	Second Class
\$125 daily/year	\$87 daily/year
\$82 one day/week	\$78 one day/week

Geographical Area:

Nationwide (N.E. area used as a  
basing point)

Types of Food Priced:

Beef and Pork  
Dairy Products  
Fresh Fruits and Vegetables  
Ready-to-cook poultry  
Cheese  
Eggs - fresh, frozen, dried  
Fats and Oils  
Nuts and dried beans and peas

Prices Based On:

Processor wholesale values  
Carlot/Trucklot

Useful for School System:  
(Size)

Medium  
Large

Applicable for Formula Purchasing:

Yes

Information Provided:

Prices on a great variety of foods  
that would be used by schools. Widely  
used pricing source throughout the  
food industry. Especially useful for  
poultry, eggs, and dairy products.  
Most medium and small schools would  
find the Urner-Barry Restaurant Buyers  
Guide more appropriate.

Name of Publication:

RESTAURANT BUYERS GUIDE

Available From:

Urner Barry Publications, Inc.  
P.O. Box 389  
Toms River, NJ 08753

Phone -- 201 240-5330  
212 349-0240

Published:

Weekly - Every Friday

Cost:

\$45

Geographical Area:

New York, New Jersey, Pennsylvania,  
and Connecticut.  
Also a west coast publication.

Prices Based On:

Delivery and prompt payment -- ship-  
ment outside normal delivery may  
require extra freight charges.

Types of Food Priced:

Beef )  
Lamb )  
Veal ) Based on IMPS.  
Pork ) (See definition)

Shell Eggs	Chicken
Liquid Eggs	Fresh Vegetables
Butter	Fresh Fruit
Cheese	Frozen Vegetables
Turkey	Frozen Fruit
All types of poultry	

Information Provided:

A widely used price report on perish-  
able food prices for restaurants,  
hotels, schools, and other institu-  
tions. The report is based on sales  
or prices by purveyors to institutions  
in the Northeast area and the west  
coast. Meat purveyors may charge extra  
for aging, cryovacing (type of pack-  
aging), individual packaging, pinning,  
and freezing.

Name of Publication:

REPORT ON FOOD MARKETS

Available From:

American Institute of Food  
Distributors, Inc.  
P.O. Box 523  
Fairlawn, NJ 07410  
Phone: 201 791-5570

Published:

Weekly

Cost:

\$125/per year for Institute Newsletter  
\$15/per year for associates

Geographical Area:

Nationwide

Types of Food Priced:

Fruits and Vegetables - Canned,  
frozen, dried  
Fish, Canned and Frozen  
Milk, Canned  
Meats, Canned

Poultry      Butter      Rice  
Eggs          Cheese

Prices Based On:

FOB Processor  
Carlot/Trucklot

Useful for School System:  
(Size)

Medium  
Large

Applicable for Formula Purchasing:

Yes

Information Provided:

Gives current processor prices and  
includes general information about  
the food market. One of the most  
widely used pricing and supply  
sources of the food industry.



Name of Publication:

WALL STREET JOURNAL

Refer to: "Cash Prices" and Future Prices"

Available from:

Wall Street Journal  
11501 Columbia Pike  
Silver Spring, MD 20907  
Phone: (301) 622-2900

512 Shatto place  
Los Angeles, CA 90020

22 Coitlandt Street  
New York, NY 10007

200 Burnett Road  
Chicopee, MA 01021

1325 Lakeside Avenue  
Cleveland, OH 41414

1233 Regal Row  
Dallas, TX 75247

915 Hemlock  
Highland, IL 62249

2301 Presidents Drive  
Orlando, FL 32809

1701 Page Mill Road  
Palo Alto, CA 94304

6900 Jurupa Avenue  
Riverside, CA 92506

P.O. Box 300  
Princeton, NJ 08540

Published:

Daily

Cost:

Newstand Price:	Subscription Price:
25¢/per day	\$45/per year
\$65/per year	\$23.40/per
	6 months

Geographical Area:

New York and Midwest

Types of Food Priced:

Potatoes  
Flour  
Coffee  
Cocoa  
Sugar  
Orange Juice  
Pork (Hams, Loins, Bellies)  
Eggs  
Beef (including Carcass)  
Vegetable Oils  
Broilers  
Grain

Prices Based On:

FOB Processor, Distributor Carlot

Useful for School System:  
(Size)

Small  
Medium  
Large

Applicable for Formula Purchasing:

No

Information Provided:

Future price section indicates current prices and anticipates future prices. Cash price section indicates current and past prices. Cash price section provides yesterday's price along with the price a year earlier at a designated market. The narrative section on the commodity page provides an insight to current trends and their relationships to price changes. This indicates what price a school lunch manager may be paying 2 weeks to 2 months hence. The school lunch manager can make menu adjustments depending on prices and supply.



# A List of Foods Showing Sources of Price Information

In the following list, the numbers at the right identify price sources according to the "Index to Price Sources" at the bottom of this page. For example, information about prices

of beef is given in Government Sources numbers 3,5,6, and 9 and in Private Sources numbers 10,12,13,15,17,18,19, and 20.

<u>FOODS</u>	<u>PRICE SOURCE NUMBER</u>
Beef - Canned, fresh, frozen, dehydrated ....	3,5,6,9,10,12,13,15,17,18,19,20
Cereals - Breakfast type .....	3,14
Cheese - (including cheese foods and spreads)	2,14,17,18,19
Condiments - Catsup, chile sauce, mustard, etc. ....	9,14
Dairy products .....	2,3,5,9,13,17,19
Dried Beans and Peas .....	1,13,17
Eggs - Fresh, dried, frozen .....	3,8,9,17,18,19,20
Fats - Vegetable shortening, oils, lard ....	3,9,13,14,15,17,20
Fruits - Canned, fresh, frozen, dehydrated ..	3,5,7,9,11,16,17,18,19
Grains - Bulgar, cornmeal, oats, rice, etc. .	9,13,14,19,20
Juices - Canned, fresh, frozen, dehydrated ..	14,20
Lamb .....	5,6,9,10,12,13,15,18,19
Margarine and Butter .....	15,18,19
Miscellaneous - Cake mixes, cocoa, gelatin, etc. ....	13,14,19,20
Nuts and Peanut Butter .....	7,13,14,16,17,19
Pastas - Macaroni, spaghetti, etc. ....	14
Poultry .....	3,5,8,9,13,17,18,19,20
Pork .....	5,6,9,10,12,13,15,17,18,19,20
Processed and variety meats - Balogna, frankfurters, sausage, luncheon meat, etc. .	12,14
Seafood - Canned, fresh, frozen, dehydrated .	3,4,9,14,19
Seasonings, Dried - Celery, chive, parsley, etc. ....	13,14,19
Sugar, Syrups, Jams, etc. ....	3,9,13,14,20
Vegetables - Canned, fresh, frozen, dehydrated .....	3,5,7,9,11,13,16,17,18,19,20
Veal .....	5,6,9,10,12,13,15,18,19

## INDEX TO PRICE SOURCES

### Government Sources

1. Bean Market News
2. Dairy Market News
3. Estimated Retail Food Prices By City
4. Fishery Market News Service
5. Food Safety and Quality Service Food Purchases
6. Market News (Livestock, Meat and Wool)
7. Market News Service on Fruits, Vegetables, Ornamentals and Specialty Crops
8. Poultry Market News
9. Wholesale Prices and Price Indexes

### Private Sources

10. Daily Market and News Service
11. Food Production Management
12. Hotel - Restaurant - Institutional Meat Service Report
13. Journal of Commerce and Commercial
14. National Price Digest
15. The National Provisioner
16. Pacific Fruit News
17. Producer's Price - Current
18. Restaurant Buyers Guide
19. Report on Food Markets
20. Wall Street Journal

## REFERENCES FOR FOOD PROCUREMENT AND SCHOOL FOOD SERVICES

The following materials provide specialized information related to purchasing foods, such as USDA and FDA regulations governing the food industry, standards for canned and frozen foods, quality characteristics of fresh fruits and vegetables, names and addresses of food processors, and a guide to procedures for establishing a food purchasing system for school food service. For the school food purchasing agent interested in reducing food costs, the materials provide tools for improving efficiency in food procurement.

## REFERENCE

- Name of Publication: THE ALMANAC OF THE CANNING, FREEZING, PRESERVING INDUSTRIES
- Available From: Edward E. Judge and Sons, Inc.  
79 Broad Street  
Westminister, MD 21157
- Cost: \$18 per almanac for 1 year
- Information Provided: Technical information pertaining to U.S. Department of Agriculture (USDA) and Food and Drug Administration (FDA) rules and regulations governing food industry, including:
- . USDA Quality Grades
  - . Standards for Canned and Frozen Foods
  - . FDA Standards of Identity, Quality, and Fill
  - . FDA regulations on
    - Food Labeling and Packaging
    - Food Additives
  - . USDA and FDA Sanitation Requirements
  - . Addresses for USDA Inspection Service
  - . Addresses of FDA Offices and Inspectors
- This is an excellent resource book, especially in understanding the technical aspects of the food industry, i.e. grading score sheets, legislature, and rules.
- 
- Name of Publication: THE BUYING GUIDE FOR FRUITS, VEGETABLES AND NUTS (The "Blue Goose")
- Available: Educational Department  
Blue Goose Inc.  
Post Office Box 46  
Fullerton, CA 92632
- Cost: \$2.25 per copy, payment must accompany the order.
- Information Provided: Describes quality characteristics of a

wide variety of fresh fruits and vegetables. Many are illustrated color photography. The book also includes standards, storage tips, nutritional values, and suggestions for use.

Tables are given for the "Recommended Daily Dietary Allowances" of the National Research Council, and for fruits, vegetables, and nuts, "Composition of Foods, 100 Grams (3-½ oz) Edible Portion."

Name of Publication:

COOPERATIVE BRANDS AND PROCESSED FOODS

USDA/FCS Information No. 110

Available From:

Economics, Statistics, and Cooperative Service

U.S. Department of Agriculture  
Washington, DC 20250

Attention: Mrs. Marjorie Christie

Cost:

No cost to schools for a limited number of copies or if State intends to redistribute copies.

Information Provided:

This 47 page publication provides a listing of cooperatives, including their address, foods they sell and brand names. The booklet cross indexes the products with the cooperatives enabling the reader to determine the sources for individual foods. The directory has limitations because (1) participation was voluntary and some co-ops chose not to be included; (2) some co-ops marketing brand name products may have inadvertently been excluded; (3) perishable food sources like fluid milk, fresh meat, shell eggs and fresh fruits and vegetables co-ops were not included, and (4) not all variations of processed pro-



ducts -(product style, can size, and specialty products) were included. However, the publication is an excellent directory for determining potential food sources.

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Name of Publication:

COST OF FOODS PURCHASED BY USDA AND  
LOCAL SCHOOL SYSTEMS, 1973-74 (ERS No.  
592)

Available From:

Economics, Statistics, and Cooperative  
Service  
U.S. Department of Agriculture  
Washington, DC 20250

Cost:

Free

Information Provided:

Gives results of a study to determine the cost of foods purchased in the open market during the 1973-74 school year at prices paid by: (1) the U.S. Department of Agriculture, (2) the largest school system, (3) the smallest system and (4) all school systems combined. Identifies foods and often used in the schools.

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Name of Publication:

THE DIRECTORY OF THE CANNING, FREEZING,  
PRESERVING INDUSTRIES

Available From:

Edward E. Judge & Sons, Inc.  
P.O. Box 856  
Westminster, MD 21157

Cost:

\$45 for book published biannually

Information Provided:

Brand names and container sizes

Alphabetical list - names and  
addresses of food processors show-  
ing foods packed, volume, brand  
names, and container sizes.

Geographical list - names and addresses  
of food processors listed alpha-  
betically by State.

Product list - foods packed with  
alphabetical listing of processors  
under each food.

Brand list - brands of foods listed  
alphabetically showing names of  
food packers.

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Name of Publication:

FOOD BUYING GUIDE FOR TYPE A SCHOOL  
LUNCHES (PA-270)

Available From:

(1) Food and Nutrition Service  
U.S. Department of Agriculture  
Washington, DC 20250

or

(2) Superintendent of Documents  
U.S. Government Printing Office  
Washington, DC 20402

Cost:

- (1) One copy free to schools participating in National Child Nutrition Program, (Order from Food and Nutrition Service.)
- (2) \$2.25  
(Order from Superintendent of Documents)

Information Provided:

Methods for planning and calculating quantities of food to be purchased and used by schools.

Tables are based on 100 portions of serving sizes for 10 to 12-year-old boy or girl.

Methods for calculating quantity of food needed for preparing a specified number of servings.

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Name of Publication:

FOOD FISH MARKET REVIEW AND OUTLOOK

Available From:

U.S. Department of Commerce  
National Oceanic and Atmospheric  
Administration  
National Marine Fisheries Service  
Washington, DC 20235

Cost:

Free

Information Provided:

Information on supplies, demand, and prices of seafood, 1974 through 1976. This is an excellent source for understanding seasonality of seafood supplies. It also provides useful comparisons of prices and potential supplies for menu planning.

Name of Publication:

GUIDE FOR PRECOSTING FOOD FOR SCHOOL  
FOOD SERVICE (PA -1185)

Available From:

(1) Food and Nutrition Service  
U.S. Department of Agriculture  
Washington, DC 20250

or

(2) Superintendent of Documents  
U.S. Government Printing Office  
Washington, DC 20402

Cost:

(1) One copy free to schools participating in National Child Nutrition Programs. (Order from Food and Nutrition Service.)

(2) \$1.60  
(Order from Superintendent of Documents.)

Information Provided:

Menu planning tips and procedures specifically related to precosting of meals.

Instructions for -

- (1) precosting recipes and individual food items
- (2) estimating costs of USCA donated foods and of condiments, seasonings, and leavenings
- (3) precosting the complete menu and menus with choice
- (4) selecting economical foods

Tables are also provided showing:

- (1) decimal equivalent in parts of 1 pound, 1 cup, or gallon for different units.
- (2) cost of one serving of food from purchase units providing 11.5 to 240 servings per unit.

Name of Publication:

FOOD PURCHASING POINTERS FOR SCHOOL  
FOOD SERVICE (PA-1160)

Available From:

(1) Food and Nutrition Service  
U.S. Department of Agriculture  
Washington, DC 20250

or

(2) Superintendent of Documents  
U.S. Government Printing Office  
Washington, DC 20402

Cost:

(1) One copy free to schools participating in National Child Nutrition Programs. (Order from Food and Nutrition Service.)

(2) \$3  
(Order from Superintendent of Documents.)

Information Provided:

Procedures for establishing a food purchasing system, information for purchasing food in quantity. This is a useful publication that provides helpful tips for purchasing food. The publication is in a loose-leaf form that may be placed in a binder for easy reference.



Name of Publication: MEAT BUYERS GUIDE

Available From: National Association of Meat Purveyors  
252 West Ina Road  
Tucson, AZ 85704

Cost: \$15/per copy

Information Provided: Provides specifications almost identical to the USDA approved institutional Meat Purchase Specifications (IMPS) for fresh beef, fresh lamb and mutton, fresh veal and calf, and fresh pork. In addition to general specifications for the meat buyer, skeletal charts and standard primal cuts are shown by color photography.

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Name of Publication: QUANTITY RECIPIES FOR TYPE A SCHOOL LUNCHES (PA-631)

Available From: (1) Food and Nutrition Service  
U.S. Department of Agriculture  
Washington, DC 20250  
or  
(2) Superintendent of Documents  
U.S. Government Printing Office  
Washington, DC 20402

Cost: (1) One copy free to schools participating in National Child Nutrition Programs (Order from Food and Nutrition Service.)  
(2) \$14.05  
(Order from Superintendent of Documents.)

Information Provided: This card file provides standardized recipes, variations of recipes, and instructions for preparing over 500 menu items that might be served in Type A school lunches. Portion size and contributions a portion makes to the Type A requirements are given for most recipes. Many of the recipes provide guides to amount to purchase for preparation of the food.

Name of Publication:

SPEC - THE COMPREHENSIVE FOOD-  
SERVICE PURCHASING MANUAL  
by Raymond B. Peddersen

Available From:

C.B.I. Publishing Company  
51 Sleeper Street  
Boston, MA 02210  
Phone: (617) 426-2224

Cost:

\$75

Note: For faster delivery, request  
1st Class Mailing.

Information Provided:

This is a comprehensive compendium of federal and other specifications for all types of food, including convenience foods, fish, and even kosher foods. The nearly 1,200-page manual provides information on purchasing policies along with examples of useful procurement instruments. The manual also addresses quality controls, Federal Regulations, and proper handling and storage techniques. The manual not only gives an assortment of clearly written specifications, but provides excellent photos, illustrations, and charts to make the specifications more understandable. The manual also provides illustrations of several of the price sources contained in this booklet.

KEY WORDS AND TERMS COMMONLY USED  
IN FOOD PROCUREMENT

Acknowledgment -- A form used by a vendor to advise a purchaser that his order has been received. It usually implies acceptance of the order.

Acquisition Cost -- The net cost for acquiring non-expendable equipment, including any attachments, accessories, or auxiliary apparatus necessary to make it usable for the purposes for which acquired. Related costs such as taxes, protective in-transit insurance, freight or installation are also included.

Advertising -- See formal advertising; legal notice.

Advice of shipment -- A notice sent to a purchaser advising that shipment has gone forward and usually containing details of packing, routing, etc.

Agent -- A person authorized by another, called a principal, to act for him.

All-or-none bid -- a bid for a number of different items, services, etc., in which the bidder states that he will not accept a partial award, but will accept only an award for all the items, services, etc., included in the bid. Such bids are acceptable only if provided for in the invitation for Bids or if the bidder quoted prices for all items, services, etc., and is actually the low bidder for every one.

Alternate bid -- (1) A response to a call for alternate bids. See alternate bid, call for. (2) A bid submitted with the knowledge that it varies from the specifications. Such a bid is only acceptable when the variance is deemed to be immaterial.

Alternate bid, call for -- An Invitation for Bids for a single need that can be filled by commodities of varying materials, dimensions, or styles. Bidders may submit one or more bids for each material, style, etc., and only one award will be made based on an assessment of what is best for the Government, taking price as only one factor involved. For example, you may ask for bids for cut green beans but accept bids for other styles of green beans as well. After receiving the bids, you may decide you prefer more expensive whole green beans because they offer a better buy.

Antitrust legislation -- Laws that attempt to (a) prevent or eliminate monopolies or oligopolies and (b) prevent noncompetitive practices.

Authorized price list -- A price list of the products or services covered in a contract which contains minimum essential information needed by users for placing orders.

Appropriation -- (1) Legislative sanction to use public funds for a specific purpose, and (2) Money set apart for a specific use.

Approved brands list -- See qualified products list.

Arbitrary and capricious action -- A willful and unreasoning action, without consideration of, and in disregard of, the facts and circumstances, without rational basis; grounds for a court to overrule or remand a discretionary decision or action by an administrative authority of the Government.

Arbitration -- A process by which a dispute between two contending parties is presented to one or more disinterested parties for a decision.

Architect and Engineer (A&E) -- All professional services associated with the research, design, and construction of facilities.

Arrival Notice -- A notice sent by a carrier to a consignee advising of the arrival of a shipment.

As is -- A term indicating that goods offered for sale are without warranty or guarantee, and that the purchaser takes the goods at his own risk without recourse

against the seller for the quality or condition of the goods.

Association of Food and Drug Officials of the United States (AFDOUS) -- An organization which establishes criteria for shipping, handling, and maintaining frozen food products from processor to user at a temperature below 0°F.

Association of Official Agricultural Chemist (AOAC) -- An organization which provides official testing methodologies and procedures, i.e., physical, chemical and microbiological, and approves tolerance of food products.

Award -- The presentation of a purchase agreement or contract to a bidder; the acceptance of a bid or proposal.

Back-door buying -- Making a purchase without going through the central purchasing authority.

Back order -- That portion of an order which a vendor cannot deliver at the scheduled time and which he has reentered for shipment at a later date.

Base price -- (1) A price agreed on at the time the contract is awarded exclusive of added sources; assumes prompt payment. (2) A beginning price for a product before a service is considered. See acquisition cost.



Base price procurement -- A practice where a price is established based on a market news source. The vendor then limits his price for services and profit to a specific amount above or below the base price. See formula purchasing.

Best interests of the State (city, county) -- A term frequently used in granting a purchasing official the authority to use his discretion to take whatever action he feels is not advantageous to the government. The term is used when it is impossible to anticipate adequately the circumstances that may arise so that more specific directions can be delineated by the law or regulation.

Bid -- (1) An offer, as a price, whether for payment or acceptance. (2) A quotation specifically given to a prospective purchaser upon his request, usually in competition with other offerors. (3) An offer by a buyer to a seller, as at an auction.

Bid against specifications -- A purchasing procedure requiring a process of selecting a successful bid in response to a pre-established specification. See advertising; formal bid or offer.

Bid-aware file -- A file that is divided into commodity and item sections each of which contains listings of who was solicited for individual bids, what each response was, and other information. The bid-aware file is used to compare past bids for award patterns that might reveal collusive agreements or to make other comparisons of data.

Bid bond -- An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific bidder, if his bid is accepted, fails to sign the contract as bid. See bid deposit; bid security.

Bid deposit -- A sum of money or check, deposited with and at the request of the Government, in order to guarantee that the bidder (depositor) will, if selected, sign the contract as bid. If the bidder does not sign the contract, he forfeits the amount of the deposit. See bid bond; bid security; forfeiture of deposit or bond.

Bid opening -- The process through which the contents of bids are revealed for the first time to the Government, to the other bidders, and usually to the public. See public bid opening.

Bid sample -- A sample required by the Invitation for Bids to be furnished as part of the bids to establish a quality level for the products being offered.



Bid security -- A guarantee, in the form of a bond or deposit, that the bidder, if selected, will sign the contract as bid; otherwise, the bidder (in the case of a deposit) or the bidder or his guarantor (in the case of a bond) will be liable for the amount of the bond or deposit. See bid bond; bid deposit.

Bidder -- Any person or firm that makes a bid.

Bidders list -- A list maintained by the purchasing authority giving the names and address of suppliers of various goods and services from whom bids, proposals, and quotations can be solicited. See prequalification of bidders; qualified bidder.

Bill -- A list of charges or costs presented by a vendor to a purchaser, usually enumerating the items furnished, their unit and total cost, and a statement of the terms of sale; an invoice.

Bill of lading (B/L) -- A written document issued by a common carrier acknowledging receipt of the goods named and setting forth the time of the contract of carriage.

Bill of materials -- A list specifying the quantity and character of materials and parts required to produce or assemble a stated quantity of a particular product.

Blanket order -- A purchase arrangement in which the purchaser contracts with a vendor to provide the purchaser's requirements for an item or a service, on an as-required and often over-the-counter basis. Such arrangements set a limit on the period of time they are to be valid and the maximum amount of money which may be spent at one time or within a period of time. See open-end contract; price agreement; requirements contract.

Blanket purchase -- See Blanket order.

Bona fide -- In good faith.

Bond -- An obligation in writing, binding one or more parties as surety for another.

Brand name -- A product name which serves to identify that product as having been made by a particular manufacturer; a trade name.

Brand name specification -- A specification that cites a brand name, model number, or some other designation that identifies a specific product as an example of the quality level desired. See equal to or better.

Breach of contract -- A failure without legal excuse to perform any promise which forms a whole or part of a contract. See forfeiture of deposit or bond.

Breach of warranty -- Infraction of an express or implied agreement as to the title, quality, content, or condition of a thing sold.

Bulk purchasing -- Purchasing in large quantities in order to reduce the price per unit; volume purchasing.

Buy against procedure -- A procedure which allows a purchaser to go out and buy at market price if a product specified cannot be delivered by vendor. The purchaser can then bill or credit the initial vendor for the difference in cost.

Buyer -- See purchasing agent.

Buyer's market -- Market conditions in which (a) goods can easily be secured and (b) economic forces of business tend to cause goods to be priced at the purchaser's estimate of value.

CAF -- Cost and freight.

Carload (CL) -- A railway carload or an equivalent. Standard carlot weight varies with each commodity.

Carrier of our choice -- Situations which the suppliers use their own transport, usually one with which they have special arrangements.

Cash discount -- A discount from the purchase price allowed to the purchaser if he pays within a specified period. See discount.

Cash on delivery (COD) -- Payment due and payable upon delivery of goods.

Catalog -- A listing of item identifications arranged systematically. See Federal Supply Catalog definition.

Caveat emptor -- "Let the buyer beware." A maxim that stands for the rule that the buyer should be careful in making a purchase because the burden of defective goods rests with him. The vendor can be made to take the responsibility for some defects through specifications and warranties.

Caveat venditor -- "Let the seller beware." A maxim relating to situations where the vendor bears the responsibility for defects in the goods he sells.

Central purchasing authority -- The administrative unit in a centralized purchasing system having the authority, responsibility, and control of purchasing activities.

Centralized purchasing -- A system of purchasing in which the authority, responsibility, and control of purchasing activities in concentrated in one administrative unit.

Certificate of compliance -- A supplier's certification that the supplies or services in question meet certain specified requirements.

Certificate of noncollusion -- A statement signed by a bidder and submitted with his bid to affirm that his bid is made freely without consultation with any other bidder.

Certified sampler or official sampler -- An individual certified by Federal or State agency to take samples, usually to insure contract compliance.

Claim -- The aggregate of the operative facts which serve as a basis for a demand for payment, reimbursement, or compensation for injury or damage under law or contract; the assertion of such a demand.

Code of ethics -- A written set of guidelines within which judgments and considerations of professional ethnics and behavior should be made. See purchasing ethics.

Collusion -- A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful, or unlawful purpose.

Collusive bidding -- The response to bid invitations by two or more vendors who have secretly agreed to

circumvent laws and rules regarding independent and competitive bidding. See corrupt combination, collusion, or conspiracy in restraint of trade; price fixing.

Commercial law -- That branch of the law that designates the rules that determine the rights and duties of persons engaged in trade and commerce.

Commodity -- An article of trade, a movable article of value, something that is bought or sold; any movable or tangible thing that is produced or used as the subject of barter or sale.

Competition -- The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, and service.

Competitive bidding -- The offer of prices by individuals or firms competing for a contract, privilege, or right to supply specified services or merchandise.

Competitive negotiation -- A technique for purchasing goods and services, usually of a technical nature, whereby qualified suppliers are solicited, negotiations are carried on with each bidder, and the best offer (in terms of performance, quality of items, price, etc.), as judged against proposal evaluation criteria, is accepted; negotiated award.



Condition -- (1) Quality characteristic of a product after grading, packaging, and processing, affected by external factors, such as time, temperature, humidity, and handling as well as damage from insects, pests, and chemicals. NOTE: Condition factors are generally not included as part of the grade since they occur after the product is officially graded. (2) Condition refers to factors which may change with time such as maturity, decay, freezing or thawing injury, shriveling, and flabbiness. See quality and condition.

Confirming order -- A purchase order issued to a vendor, listing the goods or services and terms of an order placed verbally, or otherwise, in advance of the issuance of the usual purchase document.

Conflict of interest -- A situation where, as part of his duties, an individual must make a decision or take action that will affect his personal interests.

Consideration -- Acts, promises, or things of value exchanged by two parties and serving as the basis for a contract between them.

Consultants and experts -- Those persons who are exceptionally qualified, by education or by experience, in a particular field to perform some specialized service.

Contingency -- A possible future event or condition arising from presently known or unknown causes, the outcome of which is indeterminate at the present time.

Contract -- A deliberate verbal or written agreement between two or more competent persons to perform or not to perform a specific act or acts.

Contract administration -- The management of all facets of contracts to assure that the contractor's total performance is in accordance with his contractual commitments and that the obligations of the purchaser are fulfilled. In government, this management is conducted within the framework of delegated responsibility and authority and includes the support of using agencies.

Contract modification -- An alteration that introduces new details or cancels details but leaves the general purpose and effect of the contract intact.

Contract record -- A record providing complete information on the orders placed for delivery of goods in a contract so that the volume of purchase against the contract can be determined.

Contractor -- One who contracts to perform work or furnish materials in accordance with a contract.

Contractual services -- Services furnished under a contract which defines charges, effective periods, and extent of work.

Convenience termination clause --  
A contract clause which permits the buyer to terminate, at its own discretion, the performance of work in whole or in part, and to make settlement of the vendor's claim in accordance with appropriate regulations.

Cooperative purchasing -- The combining of requirements of two or more political entities in order to obtain the benefits of volume purchases, reduction in administrative expenses, or both.

Corrupt combination, collusion, or conspiracy in restraint of trade --  
A phrase referring to an agreement between two or more businesses to stifle, control, or otherwise inhibit free competition in violation of State and or Federal anti-trust statutes. See collusive bidding; price fixing.

Cost-A-Percentage-Of-Cost-Contract --  
A contract written to define all cost with a percentage of service and profit. This violates OMB Circular A-102, Attachment O, Paragraph 3(C) (4) and will be illegal when regulations are completed.

Damages -- Compensation, usually in money, for injury to goods, persons, or property.

Debarment -- A shutting out or exclusion for cause (as a bidder from the list of qualified bidders).

Debt -- Any obligation to pay money. Ordinarily the term debt means a sum of money due by reason of a contract expressed or implied. Broadly, the word may include obligations other than to pay money, such as the duty to render services or deliver goods.

Default -- Failure by a party to a contract to comply with contractual requirements; vendor failure.

Defect -- (1) A nonconformance of an item with specified requirements. (2) In grading, blemishes or the inclusion of unwanted extraneous matter; something that detracts from appearance or quality.

Delivery schedule -- The required or agreed time or rate of delivery of goods or services purchased for a future period.



Delivery terms -- Conditions in a contract relating to freight charges, place of delivery, time of delivery, and method of transportation.

Demand -- The desire to possess a commodity coupled with the willingness and ability to pay.

Very good -- Offerings or supplies are rapidly absorbed.

Good -- Firm confidence on the part of buyers that general market conditions are good. Trading is more active than normal.

Moderate -- Average buyer interest and trading.

Light -- Demand is below average.

Very light -- Few buyers are interested in trading.

Demurrage -- Charges made for using a trailer or box car beyond the time allowable under Interstate Commerce Commission (ICC) regulations.

Descriptive literature -- Information (such as charts, illustrations, drawings, and brochures which show the characteristics or construction of a product or explain its operation) furnished by a bidder as a part of his bid to

describe the products offered in his bid. The term includes only information required to determine acceptability of the product, and excludes other information, such as that furnished in connection with the qualifications of a bidder or for use in operating or maintaining equipment.

Design specification -- A purchase specification delineating the essential characteristics that an item bid must possess to be considered for award and detailing how the product is to be manufactured; generic specification.

Designation of special purpose -- A technique used when purchasing items for a special use for which no items of that kind are produced (e.g., sewing machines for teaching blind people to sew). Specifications used for the basic item are sent out along with a description of the special purpose for which the item will be used and a questionnaire asking what modifications bidders are willing to make in their standard products to meet the particular needs.

Discount -- An allowance or deduction granted by the seller to the buyer, usually when certain stipulated conditions are met by the buyer, which reduces the cost of the goods purchased. However, discounts may be granted by the seller without reference to stipulated conditions. An example of such use of discount is the application of discount to a nominal or "list" price to establish the "net" or actual price. See cash discount; quantity discount; standard package discount; trade discount.

Discount schedule -- The list of discounts applying to varying quantities of goods or applicable to differing classifications of purchasers.

Disposition -- Acting to remove from the premises and control of a using agency goods that are surplus or scrap. Disposition can be accomplished by transferring selling, or destroying the goods.

Dock -- The area where supplies are loaded, shipped from or delivered and unloaded.

Draw off orders -- To take from existing inventory; a means of reducing purchased inventory.

Emergency purchase -- A purchase made without following the normal purchasing procedure in order to obtain goods or services quickly to meet an emergency.

Equal to or better -- A phrase(s) used to indicate the substitutability of products of similar or superior function, purpose, design, or performance characteristics. See brand name specification.

Equal Employment Opportunity Program -- A plan to include minority groups or other disadvantaged persons in the work force of businesses affected by the plan.

Equipment -- Personal property of a durable nature which retains its identity throughout its useful life.

Escalation clause -- A clause in a purchase contract providing for upward adjustment of the contract price if specified contingencies occur; price escalation clause.

Ethics -- See code of ethics; purchasing ethics.

Evaluation of bid -- The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements, and other characteristics of the bid relating to the selection of the winning bid.

Exhaustion of administrative remedies -- A legal doctrine to the effect that where an administrative remedy is provided by statute, relief must be first sought from the administrative body, and all attempts to obtain such administrative relief must be used up before the complaining party may look to the courts for relief.

Expedite -- To hasten or to assure delivery of goods purchased in accordance with a time schedule, usually by the purchaser contacting the vendor.

Express warranty -- Any affirmation of fact or promise made by a seller to a buyer which relates to the goods and becomes part of the basis of the bargain.

Extend, option to -- A part of a contract which contemplates a continuance of the original contract for a further time upon compliance with the conditions for the exercise of the option.

Fair market value -- A price that would induce a willing purchaser to purchase or a willing seller to sell in an open market transaction; the price a property would bring at a fair sale between parties dealing on equal terms.

Fair-trade statute -- A State law providing that a manufacturer may legally set a minimum resale price for his products and that retailers and distributors must observe that minimum.

Federal Circular A-102, Attachment O, Procurement Standards, August 24, 1977 -- Official regulations governing the procurement activities of grantees of the Federal Grant Funds, i.e., local food service operators utilizing the Food and Nutrition Service (FNS) food service funds.

Federal Supply Catalog -- A catalog of available supplies for which there are Federal specifications and which are purchased in common by agencies of the Federal Government. Subsistence or food products are cataloged under Group 89. The Food Safety and Quality Service (FSQS) is responsible for maintenance of subsistence products included in Group 89 list. FSQS is, also, responsible for the development of specifications of all food items listed in Group 89.

Fidelity bond -- A bond which secures an employer up to an amount stated in the bond for losses caused by dishonesty or infidelity on the part of an employee.



Field purchase order -- A limited and specific purchase order used in situations where authority to make the type of purchase involved has been delegated to using agencies.

Firm bid-- A bid that binds the bidder until a stipulated time of expiration.

First In, First Out(FIFO) -- An inventory practice in which the oldest product is moved out first.

Fiscal year-- A period of 12 consecutive months selected as a basis for annual financial reporting, planning, or budgeting.

Fixed price contract -- A contract which provides for a firm price; the contractor bears the full responsibility for profit or loss.

FOB -- See free on board.

FOB Acceptance Final -- A contract provision which states there is no recovery for hidden damages at the delivery point. The terms of sale mandate the title changes to the buyer at the point of origin without recourse.

FOB Inspection Acceptance Arrival (FOBIAA) -- A contract provision which makes acceptance of the product dependent on approval by the buyer at the

destination, even when the product delivered meets the terms of the contract; contingent on buyer approval.

Forfeiture of deposit or bond -- A loss by omission, negligence, or misconduct resulting from the performance of or the failure to perform a particular act, (e.g., not accepting a contract when an award is made); breach of contract. See bid bond; bid deposit; fidelity bond; performance bond.

Formal advertising -- The placement of a notice in a newspaper or other publication according to legal requirements to inform the public that the government is requesting bids on specific purchases that it intends to make. See legal notice.

Formal bid or offer -- A bid which conforms to a prescribed format, is forwarded in a sealed envelope, and is opened at a specified time.

Formula purchasing -- A system of purchasing whereby the supplier utilizes a pricing mechanism tied to a widely used and accepted price document, such as USDA Market News or other well-established commercial pricing sources indicated in this booklet. In contrast to Cost-Plus-A-Percentage-Cost, this system allows for open competition and does not restrict potential suppliers from competing. See base price procurement.

Formal bid against specifications -- A formal proceeding at which bids are opened in front of the buyer or his representative. No adjustments can be made. See formal advertising; and formal bid or offer.

Forward purchasing -- The purchasing of quantities exceeding immediate needs in anticipation of a price increase or a future shortage.

Forward supply contract -- A contract for future supply of definite quantities of materials or services over a fixed period. May be drawn off by "draw-off-orders," or delivered at a fixed and predetermined rate set out in the contract.

Fraud -- An act resulting from a willful intent to deceive another with the purpose of depriving him of his rights or property.

Free On Board (FOB) -- Properly loaded into carrier. Under this provision the buyer

pays for transporting the food and the title changes at hands point of origin unless otherwise stated in contractor's specification. Any claims due to mishandling are the responsibility of the buyer, not the seller. Buyer must file all claims for damage.

Full cost recovery funding -- See Industrial funding.

Fungible -- Interchangeable; of such a kind or nature that one specimen or part may be used in place of another to satisfy an obligation. Flour and grain-like wheat are considered fungible.

General provisions -- The mandatory (by law or regulation) clauses for all contracts categorized by type of purchase or contract. Clauses devised especially for a given purchase are called special provisions.

Generic name -- Relating to or characteristic of a whole group or class; not protected by trademark registration.

Generic specification -- See design specification or Standard of Identity.

Goods -- Anything purchased other than services or real property.



Gross negligence -- The degree of lack of care that shows a reckless disregard for life or safety, or that indicates a conscious indifference to the rights of others.

Guarantee -- To warrant, stand behind, or ensure performance or quality, as a supplier in relation to his product.

Identical bid -- A bid that agrees in all respects with another bid.

Imprest funds -- Funds set aside as a cash reserve for expenditures made in accordance with established policies and controls; petty cash.

Improper influence -- Domination by one person over another so as to prevent the proper exercise of the latter's discretion.

IMPS -- Institutional Meat Purchase Specifications approved by the USDA. The IMPS are the most widely known and accepted specifications utilized by institutions. They are usually used in conjunction with the Food Safety and Quality Service's meat grading inspection acceptance service.

Industrial funding -- Full financing of program activities out of the sale of goods or services furnished; full cost recovery funding.

Ineligible bidder -- A supplier who, by reason of financial instability, unsatisfactory reputation, poor history of performance, or other similar reasons, cannot meet the qualifications for placement on the bidders list or for award.

Informal bid -- An unsealed competitive offer conveyed by letter, telephone, telegram, or other means.

Inspection -- Critical examination or testing of items to determine whether they have been received in the proper quantity and in the proper condition, and to verify that they conform to the applicable specifications.

Inspection report -- A report to inform the purchasing authority of the quality or condition of the items delivered.

In-state preference -- See preference.

Invitation for Bids -- A request, verbal or written, which is made to prospective suppliers requesting the submission of a bid on commodities or services.

IQF -- Individually quick frozen.

Item -- Any product, material, or service.

Labor surplus area -- A geographical section of concentrated unemployment or underemployment, as designated by the U.S. Department of Labor.

Laid-in delivery -- Type of delivery in which the driver (or supplier) unloads the supplies.

Late bid or proposal -- A bid or proposal which is received at the place designated in the Invitation for Bids after the hour established by the invitation as the time by which all bids or proposals must be received.

Latent defect -- A defect which could not be discovered by ordinary and reasonable inspection.

LCL -- A quantity less than a carload.

Lead time -- The period of time from date of delivery during which the buyer allows the vendor to prepare goods for shipment.

Lease -- A contract conveying from one person (lessor) to another (lessee) real estate or personal property for a term in return for a specified rent or other compensation.

Lease-purchase agreement -- A rental contract in which the renting party's periodic payments or parts thereof are applied both to fulfill the rental obligation

and as installments for eventual ownership of the commodity upon completion of the agreement.

Legal notice -- The notice that is required by law. Legal notice for some purchases may be the posting of an announcement of the purchase in a public place, the notification of the appropriate bidders from the bidders list, a formal advertisement in a newspaper or newspapers, or a combination of these methods. See formal advertising.

License -- A nontransferable permission granted by a government or other authority to perform an act or to engage in an enterprise that is restricted or regulated by law.

Life-cycle costing -- A procurement technique which considers operating, maintenance, acquisition price, and other costs of ownership in the award of contracts to ensure that the item acquired will result in the lowest total ownership cost during the time the item's function is required.

Line item -- A procurement item specified in the Invitation for Bids for which the bidder is asked to give separate pricing information and which, under the terms of the invitation, is usually susceptible to a separate contract award.

Liquidated damages -- A specific sum of money, set as part of a contract, to be paid by one party to the other if one party should default on the contract.

List price -- The published price for an item.

LN<sub>2</sub> -- Liquid nitrogen.

Local preference -- See preference.

Local purchase -- A purchase by an agency for its own use or for the use of another agency logistically supported by it.

Lowest and best bid -- See lowest responsible bidder.

Lowest responsible bidder -- That bidder who is awarded a contract because his bid in unit price, total cost of operation, or value per dollar is lower than any of the bidders whose reputation, past performance, and business and financial capabilities are such that they would be judged by the appropriate government authority to be capable of satisfying the government's needs for the specific contract. Virtually the same as "lowest and best bid," "lowest and responsive and responsible bidder," and "most advantageous bid, price and other factors considered."

LTL -- A quantity less than a truckload.

Lump sum -- A price agreed upon between vendor and pur-

chaser for a group of items without breakdown of individual values; a lot price.

Manual -- See purchasing manual.

Manufacturer -- One who (1) controls the design and production of an item, or (2) produces an item from crude or fabricated materials, or (3) assembles materials or components, with or without modification, into more complex items.

Market (noun) -- The aggregate of forces that determine the prices and amount of trade in the exchange of goods.

Market (verb) -- To carry out all activities intended to sell a product or service. Includes advertising, packaging, surveying the potential market, etc.

Market -- The price or price level at which a commodity is traded.

Market Activity -- The pace at which sales are being made.

Active -- Available supplies (offerings) are readily clearing the market.

Moderate -- Available supplies (offerings) are clearing the market at a reasonable rate.

Slow -- Available supplies (offerings) are not readily clearing the market.

Inactive -- Sales are intermittent with few buyers or sellers.

Material(s) -- Supplies required to perform a function or manufacture an item, particularly that which is incorporated into an end item or consumed in its manufacture.

Misrepresentation -- A manifestation by words or other conduct that, under the circumstances, amounts to an assertion not in accordance with the facts.

Mistake in bid -- A miscalculation in composing a bid resulting in an incorrect price or other error which may affect the bidder's eligibility to be awarded the contract.

Modification -- Any formal revision of the terms of a contract.

Monopoly -- (1) An exclusive right or power to carry on a

particular activity. (2) The ownership or control of enough of the supply of or market for a product or service to stifle competition, control prices, or otherwise restrict trade.

Mostly -- The majority of sales or volume.

Multiple award -- The award of separate contracts to two or more bidders for the same commodities in situations where the award of a single contract would be impossible or impractical.



Mutual assent -- The state where the parties to a contract agree to all the terms and conditions in the same sense and with the same meaning.

NCA -- National Cannery Association

Negligence -- The failure to do that which an ordinary, reasonable, prudent man would do, or the doing of some act which an ordinary, prudent man would not do. Reference must always be made to the situation, the circumstances, and the knowledge of the parties.

Negotiated award -- See competitive negotiation.

Negotiated purchase -- Generally not recommended, except under certain conditions as outlined by Circular A-102, Attachment O, Paragraph 3(C)(6).

New price -- Price after all discounts, rebates, etc., have been allowed.

New terms -- See discount.

No bid -- A response to an Invitation for Bid stating that the respondent does not wish to submit a bid. It usually operates as a procedural device to prevent debarment from the bidders list for failure to submit bids.

Nonresponsive bid -- A bid that does not conform to the essential requirements of the Invitation for Bids; nonconforming bid, unresponsive bid.

Notice of Intent to Purchase (NIP)

-- A formal notification that a purchase will be made. Responses are requested.

Obsolescent -- Becoming obsolete, due usually to technological development

Obsolete -- Out of date; no longer in use.

Offer -- The act of one person that gives another person the legal power to create a contract to which both of them are parties; to perform such an act.

Oligopoly -- A market situation in which a few companies control or dominate the market for a product or service.

Open-account purchase -- A purchase made by a buyer who has established credit with the seller. Payment terms are usually stated to require payment of invoice on or before a specific date or dates; also, to require payment of invoice in full, or less a certain percentage for prompt payment. Such terms are agreed upon between buyer and seller at the time of placing the order or before.



Open-end contract -- (1) Term contracting; the establishment of a set price for products delivered over a specified period of time. Fresh fluid milk is often purchased under an open-end contract whereby a fixed cost per half pint is agreed upon for a period of 3 months to a year. Many open-end contracts contain an escalator clause.

Open-market purchase -- A purchase, usually of a limited dollar amount, which is made by buying from any available source as opposed to buying from a bidder who has responded to an invitation for Bids.

Open purchase order -- An order which guarantees a minimum quantity and usually covers a period of time, 4 months or so.

Option -- The acquired right to consider buying or selling something at a fixed price within a specified time.

Option to extend -- See extend, option to.

Option to renew -- A contract clause that allows a party to elect to reinstitute the contract for an additional term.

Order -- A request or command issued to a supplier for goods or services at a specified price.

Order form -- A form by which a supplier is informed of an order.

Order level -- The level of stock of any item at which point an order is initiated for more supplies of that item.

Order record -- A central numerical register of orders issued.

Packing lists -- A document which itemizes in detail the contents of a particular package or shipment.

Pallet -- A frame (usually of wood or stainless steel) on which a product is stacked and which can be moved with the stack.

Patent clearance -- A letter or other formal communication stating that the reporting requirements of the patent rights clause contained in a contract have been complied with by the contractor.

Penalty clause -- A clause in a contract specifying the sum of money to be paid if the contractor defaults on the terms of his contract, particularly in respect to time.

Performance bond -- A contract of guaranty executed subsequent to award by a successful bidder to protect the government from loss due to his inability to complete the contract as agreed. See forfeiture of deposit or bond.

Performance record -- Record to indicate a supplier's ability to keep delivery promises, his reliability, and the consistency of quality of his product.

Performance specification -- A specification setting out performance requirements that have been determined to be necessary for the item involved to perform and last.

Perishable goods -- Goods which are subject to spoilage within a relatively short time.

Personal property -- Everything which is not real property, which is subject to ownership, and which has exchangeable value.

Petty cash -- See imprest funds.

"Polar Stream System" -- A system of using a gaseous atmosphere in trailers and box cars for transporting fresh fruits and vegetables; prevents oxidation.

Political subdivision -- A subdivision of a State which has been delegated certain functions of local government; can include counties, cities, towns, villages, hamlets, boroughs, and parishes.

Preference -- An advantage in consideration for award of a contract granted to a vendor by reason of the vendor's residence, business location, or business classification (e.g., small business).

Prepaid -- A term denoting that transportation charges have been or are to be paid at the point of shipment.

Prequalification of bidders -- The screening of potential vendors in which a government considers such factors as financial capability, reputation, management, etc., in order to develop a list of bidders qualified to bid on government contracts. See bidders list; qualified bidder.

Price -- The amount of money that will purchase definite quantity, weight, or other measure of a commodity.

Price agreement -- A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirements at a predetermined price. Usually it involves a minimum number of units, direct placement of orders by the purchaser to the vendor, and a limited duration of the contract (usually 1 year). See blanket order; requirements contract; term contracting.

Price at the time of delivery -- A term used in sales contracts when market prices are so volatile that a vendor will not give a firm price or use an escalator clause but will only agree to charge the price that he is charging all customers for similar purchases on the day he ships or delivers the goods in question.

Price competition -- The selection of a contractor, from two or more competing firms, based either solely on prices submitted, or on the final prices resulting from negotiation with all competing contractors within a range.

Price control -- The fixing or restricting of prices, especially by a governmental agency.

Price escalation clause -- See escalation clause.

Price fixing -- Agreements among competitors to sell at the same price, to adopt formulas for the computation of selling prices, to maintain specified discounts, to establish lower prices without prior notification to others, or to maintain predetermined price differentials between different quantities, types, or sizes of products. See collusive bidding; corrupt combination, collusion, or conspiracy in restraint of trade.

Price maintenance -- The establishment by a manufacturer or wholesaler of a price for an item below which he will not sell or permit his product to be sold by others.

Price protection -- An agreement between a vendor and a purchaser which grants the purchaser any reduction in price which the vendor may establish on his goods prior to shipment of the purchaser's order. Price protection is sometimes extended for an additional period beyond the date of shipment.

Price rebate -- An allowance on price, usually given after the completion of the contract and most frequently based on some relationship with the business turnover.

Price schedule -- The list of prices applying to varying quantities or kinds of goods.



Price Trend -- The direction in which prices move in relation to trading in the previous reporting period(s).

Higher -- The majority of sales are at prices measurably higher than the previous trading session.

Firm -- Prices are trending higher, but not measurably so.

Steady -- Prices are unchanged from previous trading sessions.

Lower -- Prices for most sales are measurably lower than the previous trading session.

Principal -- One who employs an agent; a person who has authorized another to act on his account and subject to his control.

Priority -- The degree of precedence given to a particular requisition, order, or contract to obtain completion, delivery, or performance on a particular date at the expense, if necessary, of competing demands to the same supplier or facility.

Procurement -- The process of obtaining goods or services, including all activities from the preparation and processing of a requisition, through receipt and approval of the final invoice for payment. The acts of preparing specifications, making the purchase, and administering the contract are involved. See purchasing cycle.

Professional behavior -- See code of ethics; purchasing ethics.

Program -- A scheme of action to accomplish a definitive objective covering a major area of an organization's responsibility.

Proprietary article -- An item made and marketed by a person or persons having the exclusive right to manufacture and sell it.

Proprietary information -- Information or data describing technical processes, tools, or mechanisms that a business wishes to keep from general public view in order to maintain its competitive position in the market. See trade secret.

Proposal -- An offer made by one party to another as a basis for negotiations for entering into a contract.

Proposal evaluation criteria -- Weighted standards, relating to management capability, technical capability, approach in meeting performance requirements, price, and other important factors that are used for evaluating which bidder in a competitive negotiation has made the most advantageous offer.

Protest -- A complaint about a governmental administrative action or decision brought by a bidder or vendor to the appropriate administrative section with the intention of achieving a remedial result.

Public -- The people of an area.

Public bid opening -- The process of opening and reading bids, conducted at the time and place specified in the Invitation for Bids or the advertisement and in the view of anyone who wishes to attend. See bid opening.

Public policy -- That which is deemed by courts to be general and well-settled public opinion relating to the duties of men and government.

Public record -- All information about government activities that is available for public inspection.

Purchase order -- A purchaser's document used to formalize a purchase transaction with a vendor. A purchase order, when given to a vendor, should contain statements as to the quantity, description, and price of the goods or services ordered, as well as agreed items for payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor. Acceptance of a purchase order constitutes a contract.

Purchase requisition -- A form used to request the purchasing department to purchase goods or services from vendors.

Purchasing agent -- An administrator whose job includes soliciting bids for purchases and making awards of purchase contracts; buyer.

Purchasing cycle -- The cycle of activities carried out by a purchasing department in the acquisition of goods and services. See procurement.

Purchasing ethics -- Moral principles that apply to the personnel of the purchasing department and all people who are involved in the purchasing process, particularly with respect to the use of government funds and relationships between buyers and sellers. See code of ethics.

Purchasing manual -- A formal collection of instructions relative to procedures to be followed by all parties when making use of or dealing with the purchasing department in procurement actions.

Purchasing official -- The administrative official who most directly oversees the activities of purchasing agents and those other aspects of property management that are joined as separate or subordinate sections under individual administrative control.



Purchasing, public -- The process of obtaining goods and services for public purposes following procedures implemented to protect public funds from being expended extravagantly or capriciously.

Qualified bidder -- A bidder determined by the government to meet minimum set standards of business competence, reputation, financial ability, and product quality for placement on the bidders list. See bidders list; prequalification of bidders.

Qualified products list -- A specification which is developed by evaluating various brands and models of an item and listing those that are determined to be acceptable as the only ones for which bids may be submitted; an approved brands list.

Quality -- Refers to the physical properties affecting market value, such as color, shape, texture, cleanness, and freedom from defects. Quality and condition can be described by the following terms:

Fine -- Superior in appearance, color, and other quality factors; better than good.

Good -- Having a high degree of merchantability and a small percentage of defects.

Fair -- Having a somewhat higher percentage of defects than good or a condition which warrants a price reduction when compared to good.

Ordinary -- Having a fairly high percentage of defects or a heavy degree of off-condition.

Poor -- Having such a heavy percentage of defects or so badly off-condition that it is salable only to buyers interested chiefly in low prices.

Quality assurance -- A planned and systematic series of actions considered necessary to provide adequate confidence that a product that has been purchased meets the purchase specification and will perform satisfactorily in service.

Quality control -- The procedures and policies used to ensure adequate quality of goods produced or received.

Quantity discount -- An allowance determined by the quantity or value of a purchase. See discount.

Quotation -- A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser; the stating of the current price of a commodity; the price so stated.

Receiving report -- A form used by a receiving function to inform others, such as the purchasing and accounting departments, of the receipt of goods purchased.

Renegotiation -- Deliberation, discussion, or conference to change or amend the terms of an existing agreement.

Renew, option to -- See option to renew.

Reordering level -- The stock level at which a requisition for the replenishment of the stock should be initiated.

Repudiation of contract -- An unequivocal refusal to perform a contract.

Requirements contract -- A contract in which the vendor agrees to supply all the purchaser's requirements that arise for an item or items within a specified period. See blanket order; open-end contract; price Agreement, term contracting.

Requisition -- An internal document by which a using agency requests the purchasing department to initiate a procurement.

Research and development (R&D) -- The process by which new products or new product forms are created; preceded production.

Responsible bidder -- A bidder whose reputation, past performance, and business and financial capabilities are such that he would be judged by the appropriate government authority to be capable of satisfying the government's needs for a specific contract.

Responsive bidder -- A bidder whose bid does not vary from the specifications and terms set out by the government in the invitation for Bids.

Restraint of trade -- The effect of contracts or combinations which eliminate or stifle competition, effect a monopoly, artificially maintain prices, or otherwise hamper or obstruct the course of trade and commerce as it would be carried on if left to the control of natural and economic forces.

Restrictive specifications -- Specifications that unnecessarily limit competition by eliminating items that would be capable of satisfactorily meeting actual needs.

Rules and regulations -- Governing precepts and procedures made by an administrative body or agency under legislative authority that sometimes have the force and effect of law.

Salvage -- Property that is no longer useful as a unit in its present condition but has some value in addition to its value as scrap, usually because parts from it may be recovered and reused.

Sample -- See bid sample.

Scheduled purchase -- A purchase for which the bidding procedure is prescheduled so that using agencies' requirements for the period covered by the contract can be gathered and combined for the Invitation for Bids.

Scrap -- Property that has no value except for its basic material content.

Sealed bid -- A bid which has been submitted in a sealed envelope to prevent dissemination of its contents before the deadline for the submission of all bids; usually required by the purchasing authority on major procurement to ensure fair competition among bidders.

Seasonal -- Depending upon the seasons, either climatic or economic, and usually cyclic on an annual basis.

Seasonal rate -- A rate instituted for specified articles or commodities and effective only for certain periods of the year.

Seller's market -- A market condition where demand is greater than supply; sellers can set prices and terms of sale, and prices are high or rising.

Set-a-side -- (1) Supplier agrees to set aside part of a purchase for delivery at a later date.  
(2) A procedure allocating part of a total requirement to be purchased from a special group of suppliers, i.e., small business, minority firms, firms located in economically deprived areas, etc.



Service -- Work performed to meet a demand, especially work that is not connected with manufacturing a product.

Shipping list -- A memorandum listing all items shipped at one time on a given order.

Single-source procurement -- An award for a commodity which can only be purchased from one supplier, usually because of its technological, specialized, or unique character. Also called sole-source procurement. This procedure is not encouraged (see OMB Circular A-102, attachment 0, paragraph 3c(5)(b)).

Single-source supplier or sole-source supplier -- A situation in which only one vendor is considered in awarding a contract. This is generally considered a poor way to purchase. It is acceptable under some circumstances--for example, in an area with only one dairy.

Small business -- A designation necessary for certain statutory purposes, referring to a firm, corporation, or establishment having a small number of employees, low volume of sales, small amount of assets, or limited impact on the market.

Small Business Administration -- A Federal agency created to foster and protect the interests of small business concerns.

Solicitation -- The process of notifying prospective bidders that the government wishes to receive bids on a set of requirements to provide goods or services. The process might consist of public advertising, the mailing of Invitations for Bids, the posting of notices, or telephone calls to prospective bidders.

Sovereign immunity -- The principle which absolves the sovereign (State, city, county) from responding in damages for past injuries to another party.

Specification -- A description of what the purchaser requires and, consequently, what a bidder must offer to be considered for an award.

Specifications committee -- A committee whose purpose is to advise and assist the central purchasing authority in establishing specifications. This committee may also offer advice and assistance in developing standards. See standards committee.

Spot purchase -- (1) A one-time purchase made in the open market out of necessity or to take advantage of a bargain price. (2) Purchasing usually done because of an emergency and normally involving small quantities. It is generally non-competitive and is not on formal or negotiated bid.

Standard -- A characteristic or set of characteristics for an item that, for reasons of quality level, compatibility with other products, etc., is generally accepted by the manufacturers and users of that item as a required characteristic for all items of that sort.

Standard commercial supplies -- Articles which, in the normal course of business, are customarily maintained in stock by a manufacturer or any dealer, distributor, or other commercial dealer for the marketing of such articles.

Standard specification -- A specification established through a standardization process to be used for all or most purchases of the item involved.

Standardization (of specifications) -- The process of examining specifications and needs for items of similar end usage and drawing up one specification that will meet the needs for most or all purchases of that item.

Standards committee -- A committee whose purpose is to advise and assist the central purchasing authority in establishing standards and, in some cases, specifications. See specifications committee.

Standards of Identity -- Official descriptions of processed food products. The standards specify and limit the ingredients used in the product as well as

describe how the product is fabricated; provides a physical description of the product.

Standing order -- See blanket order.

Stock -- A supply of goods maintained on hand in a supply system to meet anticipated demands.

Stock control -- Control of the level of stock by control over the movement of goods into and out of stores (storage).

Stock record -- A record kept of items of materials in stock, usually located at a central point and showing stock level position.

Storage -- The holding of goods in a designated place for safekeeping; a space or a place for the safekeeping of goods.

Subject to Approval of Price or Subject to Price Approval (SAP) -- (1) Tentative agreement pending the approval of the person whose signature is required for the contract. (2) In a long-term contract, some purchases should not be made until market price is reviewed and approved.

Supplemental agreement -- Any contract modification which is accomplished by the mutual action of the parties.

Supplier -- A firm that regularly furnishes needed items to a business or government; a vendor.



Supplies -- Items which are consumed or expended in the course of being used.

Supply/Offering -- The quantity of a particular item available for current trading.

Heavy -- When the volume of supplies is above average for the market being reported.

Moderate -- When the volume of supplies is average for the market being reported.

Light -- When the volume of supplies is below average for the market being reported.

Surplus property -- Inventory not required by one using agency or all using agencies at the present time or in the foreseeable future.

Tabulation of bids -- The recording of bids and bidding data that was submitted in response to a specific invitation; used for comparison, analysis and record-keeping.

Terminal -- A major metropolitan wholesale market, generally for fresh fruits and vegetables.

Term contracting -- A technique in which a source or sources of supply are established for a specified period of time, usually

characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a predetermined unit price. See blanket order; open-end contract; price agreement; requirements contract.

Terms and conditions -- A phrase generally applied to the rules under which all bids must be submitted and the terms that are included in most purchase contracts; often published by purchasing authorities for the information of all potential bidders.

Terms of payment -- The manner of payment for the goods or services received. Except in cases where there is an unusual exchange or barter agreement, payment is made in negotiable funds in accordance with the terms agreed between the buyer and seller. There are three basic payment terms; cash, open account, and secured account.

Terms payment -- Complete payment is due within 30 days. Some firms provide discounts for early payments, such as 1 percent off if paid within 10 days.

Testing -- A phase of inspection involving the determination by technical means of the physical and chemical properties of items, or compounds thereof, requiring not so much the element of personal judgement as the application of recognized and established scientific principles and procedures.

Title -- This means whereby a person's ownership of property is established.

Token bid -- A perfunctory offer submitted by a bidder with no serious intent of being the lowest bid; usually submitted when the bidder wishes to maintain eligibility for the bidders list or as a collusive device.

Total supply -- A concept of purchasing, the objective of which is to plan in advance and provide for a broad scope of purchasing and purchasing-related activities in order to minimize costs, increase managerial effectiveness, and improve operational efficiency. Total supply is not concerned with ordering but with requirements planning, logistics, and general procurement management.

Trade discount -- A deduction from an established price for items or services, often varying in percentage with volume of transactions. The discount is made by the seller to those engaged in certain businesses and allowed irrespective of the time when payment is made. See discount.

Trade name -- See brand name.

Trade secret -- Any aspect of a business or its operations which is known only to the manufacturer. See proprietary information.

Trademark -- Generally, any sign, symbol, mark, word, or

arrangement of words in the form of a label adopted and used by a manufacturer or distributor to designate his particular goods and which no other person has the legal right to use.

Trade-off analysis -- The process of determining the "best" course of action by weighing the advantages and disadvantages associated with available alternatives. The selected course will usually involve a compromise with some resources (e.g., time) traded-off for another (e.g., money).

Truckload (TL) -- A measure for commodities, usually 40,000 pounds to 46,000 pounds. Standard truckload weights vary with each commodity.

Ultra vires action -- An action which is beyond the power or purpose of a corporation, city, county, or other body, but not an action which is merely performed in an unauthorized manner or without authority.

Undertone -- Situation or sense of direction in an unsettled (prices not established) market situation.

Unit price -- The price of a selected unit of a good or service (e.g., price per ton, labor hour, foot).

Unit price extension -- The calculation of the total price of goods by multiplying the price per unit by the number of units purchased.

Unresponsive bid -- See nonresponsive bid.

Unsuccessful bidder -- An offeror whose bid is not accepted for reasons of price, quality, failure to comply with specifications, etc.

Using agency -- A unit of government that requisitions items through central purchasing.

Value -- Intrinsic worth. The amount of money for which goods or services can be exchanged.

Value analysis -- An organized effort directed at analyzing the function of systems, products, specifications and standards, and practices and procedures for the purpose of satisfying the required functions at the lowest total cost of ownership.

Vendor -- A supplier.

Vendor failure -- See default.

Vendor file -- The accumulated record maintained by the central purchasing authority of information relevant to his business relationship with the government, including application for inclusion on the bidders list, record of performance under contracts, correspondence and the results of special-purpose analyses.

Void -- Without legal effect; unenforceable.

Volume purchasing -- See bulk purchasing.

Waiver of bid(s) -- A process, usually statutory, whereby a government purchasing office may procure items without formal bidding procedures because of uniqueness of circumstances related to that procurement action.

Waiver of mistake or informality -- The act of disregarding errors or technical nonconformities in the bid which do not go to the substance of the bid and will not adversely affect the competition between bidders.

Note: The following sources were used in defining key words and terms commonly used in food procurement.

1. State and Local Government Purchasing. The Council of State Government, Lexington Kentucky, March 1975.
2. The Market News Service on Fruits, Vegetables, Ornamentals, and Specialty Crops (Marketing Bulletin No. 61). Agricultural Marketing Service, U.S. Department Agriculture, Washington, D.C., February 1977.











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